

Message Text

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ACTION EA-14

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R 141110Z JUN 74

FM AMEMBASSY RANGOON

TO SECSTATE WASHDC 8110

INFO AMEMBASSY BANGKOK

CINCPAC

S E C R E T SECTION 1 OF 2 RANGOON 1640

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PINT BM

SUBJECT: ASSESSMENT OF UNREST AND PROBABLE FUTURE DEVELOPMENTS

1. SUMMARY. IN COPING WITH UNREST, GUB WILL HAVE RECOURSE TO CONCESSION AS WELL AS REPRESSION, BUT ECONOMIC REALITIES WILL PREVENT THE GUB--AT LEAST IN THE SHORT RUN--FROM ELIMINATING THE SHORTAGES THAT ARE AT THE ROOT OF THE UNREST. BY THIS BASICALLY TOUGH LINE THE GUB WILL PROBABLY BE ABLE TO KEEP LID ON UNREST AND STAVE OFF POPULAR PRESSURES FOR CHANGE DURING THE CRITICAL SIX MONTHS UNTIL THE NEXT HARVEST IS IN. HOWEVER, PARTICULARLY IF EXTREMELY SEVERE REPRESSIVE MEASURES BECOME NECESSARY, REPUGNANCE AND SYMPATHY WITH THE MOB COULD HEIGHTEN TENSIONS WITHIN THE REGIME AND ARMY, AND MIGHT THUS CONCEIVABLY STIMULATE OR CATALYZE ATTEMPTS FROM WITHIN THE REGIME ITSELF TO REPLACE THE LEADERSHIP OR BRING ABOUT RADICAL REFORM. BEYOND THE HALF-YEAR HORIZON, THE GUB MAY BE IMPELLED TO ACCELERATE ITS GLACIAL MOVEMENT TOWARD ECONOMIC PROGRESS, THOUGH WITH THE MAXIMUM NECESSARY SACRIFICE OF DOCTRINE. MOST OF THE POSSIBLE OUTCOMES, SO FAR AS WE CAN NOW IMAGINE THEM, ARE NOT LIKELY TO MAKE THINGS

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WORSE (AND COULD HELP) IN TERMS OF US INTERESTS; THOUGH ONE MAY

SPECULATE THAT PREOCCUPATION WITH LAW AND ORDER COULD TEMPORARILY DILUTE THE ANTI-NARCOTICS EFFORT, THIS HAS NOT HAPPENED YET.
END SUMMARY.

2. GUB SUPPRESSION OF RANGOON STRIKES HAS LEFT WIDESPREAD TENSION AND PUBLIC MOOD OF APPREHENSION, WITH THE GRIEVANCES AND DISCONTENT WHICH CAUSED THE STRIKES LARGELY UNSATISFIED. IT IS WIDELY ASSUMED THAT MORE STRIKES, PERHAPS COMBINED WITH OTHER TACTICS SUCH AS INDUSTRIAL SABOTAGE OR SIMPLE FAILURE TO WORK EFFECTIVELY, WILL FOLLOW, AND GUB ITSELF SEEMS TO SHARE THIS VIEW WHILE BLAMING PROBLEM ON AS-YET-UNIDENTIFIED-CONSPIRATORS RATHER THAN ON BASIC GRIEVANCES OF WORKERS.

3. POSSIBLE GUB RESPONSES TO UNREST. IN SOME INSTANCES GUB HAS MADE MINOR CONCESSIONS, AND WE EXPECT IT WILL ATTEMPT OVER NEXT FEW WEEKS TO ACHIEVE AT LEAST THE APPEARANCE OF SATISFYING SOME OF WORKER'S DEMANDS--E.G., REPLACEMENT OF UNPOPULAR WORKERS COUNCILLORS, CASH ADVANCES, ALLOWING WORKERS IN CONSUMER-GOODS PLANTS TO SHARE IN OUTPUT. SOME INCREASES IN RICE RATIONS ARE ALSO A POSSIBILITY. HOWEVER, WORKERS' BASIC GRIEVANCE--SOARING PRICES AND SHORTAGES OF RICE AND OTHER ESSENTIAL CONSUMER GOODS--IS PROBABLY NOT FULLY SOLUBLE IN SHORT TERM. GUB WILL BE UNDER PRESSURE TO SUSPEND RICE EXPORTS, AND EVEN IF IT DOES SO IT HAS BARELY ENOUGH RICE IN STOCK FOR GENERAL DISTRIBUTION AT RATE WORKERS DEMAND UNTIL NEXT HARVEST. INCREASED RATIONS FOR WORKERS THUS ARE LIKELY TO BE AT EXPENSE OF LESS FAVORED GROUPS SUCH AS ETHNIC MINORITIES IN REMOTE AREAS DESPITE SUCH ECONOMIES, GUB MAY STILL NOT BE ABLE TO SATISFY URBAN WORKERS, SINCE RICE PROBLEM IS NOT AN ISOLATED ONE BUT IS SYMPTOMATIC OF MANY OTHER SHORTAGES.

4. IN LONGER TERM, GUB COULD MAKE BASIC POLICY CHANGES, SUCH AS LIBERALIZATION OF PADDY AND RICE TRADE, ENCOURAGEMENT OF FOREIGN AND PRIVATE INVESTMENT, AND FURTHER DRASTIC REDUCTIONS IN SWOLLEN BUREAUCRACY. HOWEVER, TANGIBLE BENEFITS TO THE PEOPLE AT LARGE FROM SUCH MEASURES WOULD PROBABLY BE 18 MONTHS TO TWO YEARS AWAY (UNLESS GUB WERE ABLE TO ATTRACT IMMEDIATE LARGE-SCALE FOREIGN AID IN SUPPORT OF ECONOMIC LIBERALIZATION PROGRAM). GUB IS THUS MORE LIKELY TO OPT IN SHORT TERM FOR ADDITIONAL CONTROLS AND COERCION, E.G., CRACKING DOWN ON BLACK MARKET IN EFFORT TO ENFORCE OFFICIAL COMMODITY PRICES, ARRESTING PRIVATE "SPECULATORS" AND
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HOARDERS. (THIS WOULD NOT NECESSARILY RULE OUT LONGER-TERM PROGRESS TOWARD LIBERAL REFORM; SEE PARA 9 BELOW.)

5. LIKELIHOOD OF EFFECTIVE MEASURES TO ALLEVIATE PUBLIC DISCONTENT IS FURTHER REDUCED BY GUB'S ESPOUSAL OF A CONSPIRACY THEORY. MOST SENIOR GUB OFFICIALS APPEAR TO BELIEVE THE OUTBREAKS WERE ORGANIZED BY A GROUP OF LEFTISTS AND EX-COMMUNISTS, AND THIS VIEW IS ACCEPTED BY SOME EXPERIENCED OBSERVERS OUTSIDE GUB.

ALTHOUGH THERE IS NO FIRM EVIDENCE, IT IS NOT UNLIKELY THAT THERE WAS SOME DEGREE OF PLANNING AND COORDINATION OF DISTURBANCES. EVEN IF GUB SUCCEEDS IN APPREHENDING LEADERS, HOWEVER, WORKERS HAVE NOW LEARNED THAT THEY HAVE POWER AT LEAST TO SHAKE THE REGIME. WHETHER THERE WILL BE NEW OUTBREAKS DEPENDS ON DELICATE BALANCE AMONG PUBLIC DISCONTENT, WHATEVER EFFORTS GUB MAKES TO ALLEVIATE THIS DISCONTENT, AND DETERRENT EFFECT OF BLOODSHED. ON BALANCE, WE THINK DETERRENT EFFECT OF BLOODSHED LIKELY TO BE STRONGEST FACTOR IN SHORT RUN, SO THAT GUB HAS BETTER THAN AN EVEN CHANCE OF GETTING THROUGH NEXT SIX MONTHS WITHOUT LETHAL CHALLENGE TO ITS CONTROL.

6. POSSIBLE RESULTS OF GUB ACTIONS. EVEN SO, GUB WILL BE AFFECTED BY PAST WEEK'S EVENTS AND BY RESULTS OF ITS EFFORTS IN COMING MONTHS TO COPE WITH SITUATION. IT IS EVEN POSSIBLE (THOUGH NOT PROBABLE) THAT RELIABILITY OF ARMY ITSELF COULD COME INTO QUESTION. WHILE THE BASIC QUESTION OF WHETHER TROOPS WOULD OPEN FIRE ON WORKERS HAS BEEN RESOLVED FOR THE MOMENT, THERE ARE FRAGMENTARY INDICATIONS THAT SOME TROOPS AND THEIR OFFICERS HESITATED TO DO SO. IF FURTHER

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FM AMEMBASSY RANGOON

TO SECSTATE WASHDC 8111

INFO AMEMBASSY BANGKOK

CINCPAC

S E C R E T SECTION 2 OF 2 RANGOON 1640

CINCPAC FOR POLAD

EXTENSIVE USE OF FORCE WERE REQUIRED, THE POINT MIGHT COME AT

WHICH ELEMENTS OF THE ARMY WOULD FIND THIS INTOLERABLE AND TURN AGAINST THE REGIME.

7. THERE HAS ALREADY BEEN SOME SQUABBLING WITHIN THE GOVERNMENT AND ARMY OVER CRISIS MANAGEMENT, AND THIS WILL PROBABLY BE RE-UIFORMED BY EFFORTS OF SENIOR MEMBERS OF REGIME TO BLAME ONE ANOTHER FOR FAILING TO ANTICIPATE CRISIS. NE WIN'S ABSENCE FROM THE SCENE WILL MAKE IT EASIER FOR HIM TO ESCAPE ANY PERSONAL RESPONSIBILITY, AND PROBABLY ONLY HIS OPPONENTS OUTSIDE REGIME WILL RAISE AWKWARD QUESTIONS ABOUT HIS PLAYING GOLF IN BALI INSTEAD OF PACIFYING STRIKING WORKERS. FINALLY, NE WIN HIMSELF MAY SEND A FEW HEADS ROLLING WHEN HE RETURNS.

8. LONGER-RUN POLITICAL EFFECTS ARE NOT ALL BAD. SHOCK WILL TEND TO STRENGTHEN POSITION OF THOSE ELEMENTS OF REGIME FAVORING EFFECTIVE ECONOMIC REFORMS, WHILE WEAKENING POSITION OF LEFTIST AND DOCTRINAIRE OPPONENTS OF REFORM. THUS, EVEN IF SHORT-TERM MEASURES ARE COERCIVE, GUB MAY ACCELERATE SOMEWHAT ITS SNAIL'S PACE TOWARD LIBERALIZATION. AT SAME TIME, THE IRRELEVANCY
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TO THE CRISIS OF MUCH OF THE ELABORATE NEW CONSTITUTIONAL MACHINERY--E.G., THE STATE COUNCIL AND GENERALLY SPEAKING THE BSPP AND WORKERS COUNCILS--IN ITS FIRST TEXT MAY TEMPT ARMY ELEMENTS TO TRY TO REGAIN THE APPEARANCE AS WELL AS THE SUBSTANCE OF POWER. NE WIN HIMSELF HAS INVESTED MUCH TIME AND PRESTIGE IN BUILDING THE NEW CONSTITUTIONAL STRUCTURE, BUT IF HE CONCLUDES THAT IT IS BEING EXPLOITED AGAINST HIM BY LEFTISTS HE IS PERFECTLY CAPABLE OF SCRAPPING LARGE PARTS OF IT. WHETHER THIS WORKS FOR OR AGAINST ECONOMIC PROGRESS WILL DEPEND ON WHICH PARTS ARE SCRAPPED. SOME WOULD NOT BE MISSED.

9. IMPLICATIONS FOR U.S. MOST OF THE POSSIBLE DEVELOPMENTS OUTLINED ABOVE WOULD HAVE NO DISCERNIBLE ADVERSE EFFECT ON SIGNIFICANT US INTERESTS, THOUGH WE SHOULD MAKE THE QUALIFICATION THAT CONTINUED CONCENTRATION OF MILITARY AND POLICE ON MAINTAINING ORDER IN THE TOWNS COULD CAUSE SOME TEMPORARY DIVERSION FROM EFFORTS AGAINST NARCOTICS TRAFFICKERS. WORST-CASE SCENARIO WOULD HAVE MODERATELY ADVERSE EFFECTS FOR US: SUCCESS BY LEFTIST-ORIENTED LABOR ELEMENTS IN PRECIPITATING CIVIL WAR OR DOWNFALL OF GOVERNMENT AND ESTABLISHMENT OF A MORE RIGIDLY SOCIALIST AND MORE EGALITARIAN REGIME WHICH WOULD ABANDON BURMESE NON-ALIGNMENT IN FAVOR OF CLOSE TIES WITH EITHER SOVIET UNION OR PRC. WE DO NOT CONSIDER ANY SUCH OUTCOME MORE THAN marginally POSSIBLE, AND IT IS OUTWEIGHED BY THE LIKELIHOOD OF CHANGES IN ECONOMIC POLICIES CARRIED OUT BY PRESENT OR SUCCESSOR REGINE, WHICH WOULD LEAD TO INCREASED BURMESE TRADE, ECONOMIC DEVELOPMENT, AND INTEREST IN REGIONAL COOPERATION, WITH BENEFICIAL EFFECTS ON US INTERESTS. AS TO PHYSICAL SECURITY, THE AMERICAN COMMUNITY IS SMALL, PUBLIC SENTIMENT IS FRIENDLY, AND THE REGIME'S

CAPACITY TO SAFEGUARD AMERICAN LIVES REMAINS HIGH.
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